



Senate

General Assembly

File No. 394

February Session, 2014

Substitute Senate Bill No. 479

Senate, April 7, 2014

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE ENFORCEMENT OF PAYMENTS OF ASSESSMENTS AND USER FEES TO THE CONNECTICUT HEALTH INSURANCE EXCHANGE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1083 of the 2014 supplement to the general
2 statutes is amended by adding subsection (d) as follows (*Effective*
3 *October 1, 2014*):

4 (NEW) (d) (1) The chief executive officer of the exchange shall
5 provide to the commissioner the name of any health carrier that fails to
6 pay any assessment or user fee to the exchange under subdivision (7)
7 of subsection (c) of this section. The commissioner may add a penalty
8 of twenty-five dollars to any unpaid assessment or user fee, and
9 interest at the rate of six per cent per annum shall be paid thereafter on
10 such assessment or user fee and penalty.

11 (2) Any health carrier aggrieved by the action of the commissioner
12 under this subsection may appeal in accordance with the provisions of

13 section 38a-19.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2014</i>	38a-1083
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INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Resources of the General Fund	GF - Potential Revenue Gain	Indeterminate	Indeterminate

Municipal Impact: None

Explanation

The bill may result in a revenue gain to the General Fund to the extent that health insurers fail to pay any assessment or user fee as required by the Connecticut Health Insurance Exchange. The bill allows the Insurance Commission to assess a \$25 fee, and charge interest on the unpaid assessment. The amount of the revenue gain is indeterminate. The amount of revenue generated will be dependent upon the frequency and scope of any unpaid assessments. Given the recent establishment of the Exchange and assessment methodology, the potential degree of noncompliance is not known.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 479*****AN ACT CONCERNING THE ENFORCEMENT OF PAYMENTS OF ASSESSMENTS AND USER FEES TO THE CONNECTICUT HEALTH INSURANCE EXCHANGE.*****SUMMARY:**

This bill requires the Connecticut Health Insurance Exchange's chief executive officer to give the insurance commissioner the name of any health carrier (e.g., insurer) that fails to pay any assessment or user fee the exchange charges. The law allows the exchange to charge assessments or user fees to health carriers capable of offering qualified health plans through the exchange. A qualified health plan is one that is certified as meeting criteria outlined in the federal Affordable Care Act and state law.

The bill allows the commissioner to add a \$25 penalty to a carrier's unpaid exchange assessment or fee and 6% annual interest on both the unpaid amount and penalty. By law, unchanged by the bill, the exchange may already impose unspecified interest and penalties on a health carrier that is late in paying the assessment or fee.

The bill allows a health carrier aggrieved by the commissioner's action to appeal to him within 30 days for a hearing on the matter. The commissioner must hear the appeal within 30 days after receiving the request and, within 45 days after the hearing, affirm, reverse, or modify his previous action. A carrier may appeal the commissioner's final decision to Superior Court.

EFFECTIVE DATE: October 1, 2014

BACKGROUND***Related Bills***

sSB 11, File 8, which the Insurance and Real Estate Committee reported favorably, explicitly allows the exchange, starting one year after the bill's passage, to negotiate premiums with health carriers offering or seeking to offer qualified health plans through the exchange.

SB 15, File 181, which the Insurance and Real Estate Committee reported favorably, adds an insurance producer to the exchange's board of directors.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/20/2014)